

Excise

place that will compete with this free standing fireplace and gain a tax advantage. They in turn produce some 90 per cent of the input into Canada.

It is rather incongruous that the Minister of Finance would promote a taxation benefit for an American industry and a taxation disincentive for a Canadian industry, particularly since this is a new industry which is just getting on its feet.

This Canadian industry is doing extremely well. Its growth has been quite satisfactory, particularly with regard to British Columbia. This is also an Ontario based industry. On that basis I ask the minister to reassess this and hopefully take out of the legislation the words "built-in". If fireplaces were just included generally, this would be satisfactory.

Another minor factor encouraging the free standing fireplace is the matter of conservation. A free standing fireplace gives off a considerable amount of heat. As we are talking in terms of energy conservation, we should not have the heat going up the chimney. We should instead ensure that it is distributed throughout the room.

Injuring the free standing fireplace industry by destroying its competitive position and increasing the competitive position of the United States companies is totally against all the concepts upon which the minister built his budget. He built it upon the premise of hopefully improving employment in Canada. This will do the opposite. He built his budget on the objective of encouraging Canadian investment in Canada. This clause regarding built-in fireplaces goes against the objective. It is upsetting the competitive position of this Canadian industry. I am sure that is not the minister's intent.

I hope the minister will remove the words "built-in" from the bill. I will look for that in the amendment. That is in schedule V, Part 1, paragraph 2. I would appreciate it if the minister would take these factors into consideration. If necessary I will discuss the matter further on third reading.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, as I do not wish to take too much time of the House I will only make a few comments. I know that other members want to speak and that there is a disposition to pass this bill by four o'clock.

When you look at this bill in an overall way, you see there is good news and bad news in it. The bad news is if you fly or are a passenger in an airplane, drive a big car, buy a boat with the motor over 20 horsepower, smoke cigarettes or cigars, drink wine and brandy.

Mr. Nystrom: It is bad news for you, Bill.

Mr. Kempling: I'm glad you are here. If you are in the construction machinery business, truck equipment business, are handicapped, have children and are buying clothing for them, then there is good news for you.

I wish to endorse the comments regarding the wine industry which were made by my colleague, the hon. member for Okanagan Boundary (Mr. Whittaker) and the hon. member for Fraser Valley West (Mr. Wenman). We have a considerable wine industry in the Niagara Peninsula. I have been in contact with them and I understand

[Mr. Wenman.]

they have made representations to the minister. I hope he will take the remarks of my colleagues into account, as well as the representations made by the industry which is quite concerned about where it will be heading in the future.

I know that other members intend to speak at some length regarding taxation on motors, boats and so forth. Therefore, I will skip my remarks on that. I will confine myself to the transportation equipment business. I commend the minister on his recent news release wherein he recognized the tremendous inventory that this industry has on hand. He says he is prepared to do something about it. Remitting the sales tax would represent millions of dollars to the industry which is now having great problems with cash flow. This would certainly help them. When the minister made the announcement I took the liberty of sending out approximately 150 copies to people I knew who would be interested. I know they are waiting for a further revelation on how this will be handled.

The industry about which I am particularly concerned is the Canadian truck body and equipment industry. It is vitally affected by the regulations pertaining to transport equipment. I wish to say a few words about that. This industry has had a good deal of difficulty getting any sort of recognition from the government. As a matter of fact, the reason its association was formed was because various members in the business had received different rulings from the Department of National Revenue pertaining to sales tax and excise tax.

At that time a handful of people in the business, including myself, got together and compared rulings. We found some people had rulings and other did not. Some were being taxed unjustly and others not taxed at all. Consequently we formed an association. It is now Canada-wide with representation in every province. It represents hundreds of millions of dollars in business every year and employs thousands of people. One particular problem the Canadian truck body association had was that they met with various departments of government, but I am told that the departments or the government were not aware that such an association existed. I want to repeat that they do hundreds of millions of dollars worth of business a year. They do employ a great number of people, and they are a very innovative type of industry. The proposal which mainly concerns them in the schedule is in Part XVII, items 8 and 9:

● (1520)

Parts and equipment designed for permanent installation on the tax exempt goods mentioned in sections 1 to 7 of this Part where, in the opinion of the Minister, the fair sale price by the Canadian manufacturer or the fair duty paid value of the imported article exceeds \$1,000 per unit.

As I say, this is a very innovative industry. It responds to the demands of the construction industry and transport industry, as well as to the needs of municipalities. In many cases the products of several manufacturers are combined. I stress to the minister that he ought to accept the principle of aggregate pricing when dealing with \$1,000 value per unit.

The bill provides, as I read it, that where the duty paid value of the manufactured article exceeds \$1,000 per unit the tax is to be levied. It is very simple to take a hydraulic